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J.B. HOYT
DIRECTOR, GOVERNMENT RELATIONS

May 9, 2007

Re: Comments of Whirlpool Corporation Regarding Energy Policy

Good morning. My name is J.B. Hoyt and I am the Director, Government Relations for Whirlpool Corporation. Thank you for the opportunity to participate in this session today.

Since our founding 96 years ago, Whirlpool has been proud to call Michigan home. From our simple beginning in 1911, Whirlpool has become the world's largest manufacturer and marketer of major household appliances. We are best known in the U.S. for our KitchenAid, Whirlpool, Maytag, Jenn-Air and Amana brands. As recently as the mid-1980's we were a U.S.-centric manufacturer of major household appliances. Through a series of acquisitions and innovative growth, we have become the world's largest manufacturer of household appliances. We now have some 73,000 employees working in nearly 60 manufacturing and technology locations globally and have some $19 billion in sales in over 170 countries.

Despite our expanding global footprint, Whirlpool has remained committed to our Southwestern Michigan home. Since our acquisition of Maytag in 2006, we have added 450 new jobs in Southwestern Michigan, bringing our total Michigan jobs to over 3300. We have three technology centers in the community and strive to attract the type of high-tech jobs that Governor Granholm and others agree are important to the future of our State. We continue to provide both human and economic leadership in the Benton Harbor/St. Joseph community. We continue to believe that Michigan is key in our global footprint.

Energy & Water Efficiency History

Whirlpool has been a leader in energy and water efficiency efforts since the 1970's. We have been involved in every development of efficiency standards, Energy Star® levels and efficiency test procedures ever conducted by the U.S. Department of Energy and the Environmental Protection Agency. Whirlpool has

received the Energy Star Partner of the Year recognition eight of the nine times it has been awarded, including earning the prestigious "Sustained Excellence" award the past two years. Over the last five years we have invested over $500 million in improving the energy and water efficiency of our products. Whirlpool Corporation is the only major appliance manufacturer to commit to a greenhouse gas reduction target. We have committed to lowering our greenhouse gas emissions by 3% from 1998 to 2008...in the face of a 40% increase in production volume.

Over the last 30+ years the appliance industry has dramatically reduced the energy and water consumption of our major products. For example, compared to the early 1970's:

- Clothes Washers use 72% less energy...and high efficiency washers use one-third to one-half less water
- Refrigerators use 77% less energy...consuming only about the same energy as a 60-watt light bulb
- and Dishwashers use 67% less energy...and only one-quarter of the water required to hand wash the same amount of dishes
- (Please see the figure at the end of these remarks for more detail)

What Should the Legislature Do?

Michigan needs an energy policy to address more effective use of this important resource in our State. Such a policy should be geared to both demand and supply management. Our comments today will be focused on the demand picture. Energy efficiency is the quickest, cleanest and most cost effective means of improving energy availability. The demand side management plans must leverage this point. Finally, energy efficiency is estimated to cost less than one-third the cost of new generating capacity, making it a very attractive choice.

Demand side management can and should provide education to Michigan residents so that they know what behaviors save energy. These behaviors cover:

- The simple...turning off unused lights
- The complex...increasing home insulation
- The less obvious:
    - Running only full loads in Clothes Washers and Dishwashers
    - Dishwashing, not hand washing
    - Setting the water heater to 120 degrees
    - Cleaning the Dryer lint trap after every use
    - And many others

The demand side management portion of an energy policy can help to drive market transformation...the true permanent changing of consumer behavior! Specifically:

- Incentivize efficient behavior
- Support efficient product purchases...HB4125 (Proos) and 4126 (Accavitti) provide for sales & use tax exemptions on Energy Star appliances. These measures would save consumers an estimated $57 million in utility bills over the lifetime of appliances purchased within just a two-year time period
- Incentivize and encourage the removal of older, inefficient "energy hog" appliances from the electric grid...reducing electricity demand *and* saving the consumer money
- Education efforts can include messages such as:
    - A public awareness campaign to increase the understanding of efficiencies and how simple measures can have a large impact
    - The value of the Energy Star program and how purchase of those products can lead to substantial savings

There are other benefits from a strong energy policy as well:

- More efficient products and more efficient use of those products will reduce the utility bills of low income families by a disproportionately high amount...not only electricity, but natural gas, water and sewer, as well
- Create demand for high tech jobs such as the engineers employed by Whirlpool to develop innovative, consumer-oriented, efficient products
- Reduce the greenhouse gas emissions for the energy required to run our economy
- Provide more capacity to support the demands of a rebounding Michigan economy

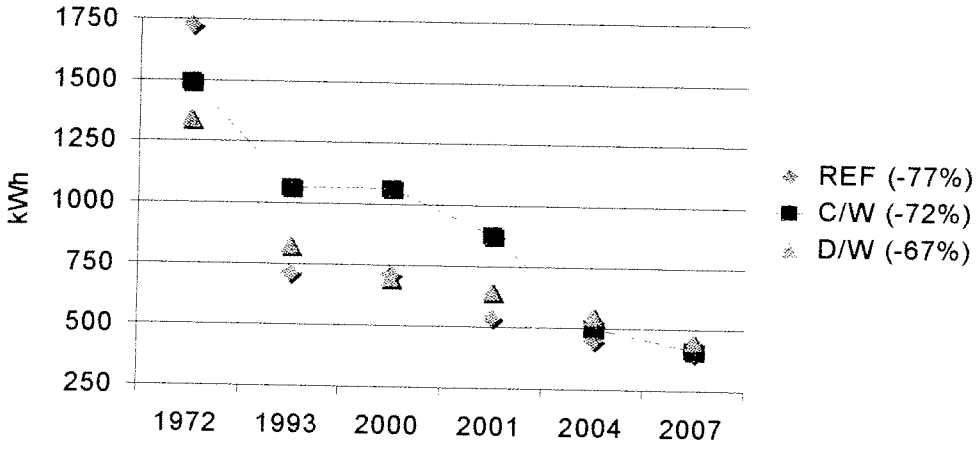
In Conclusion

An effective energy policy is needed to guide Michigan through the challenges of the years ahead. An effective combination of consumer education and demand side management, including incentives, can position our State to prosper and succeed in a time of constrained energy supply and increasing energy demand.

Thank you for the opportunity to be here today.

Home Appliance Energy Efficiency Improvements

Annual Average KilowattHour Usage



Source: Industry data

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